

CHAPTER 67**(HB 241)**

AN ACT relating to the Capital Construction and Equipment Purchase Contingency Account.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.770 is amended to read as follows:

- (1) There is created within the capital construction fund the capital construction and equipment purchase contingency account. The account shall consist of moneys appropriated to the account by the General Assembly.
- (2) Money in the capital construction and equipment purchase contingency account may be transferred to the allotment account of a capital construction project, authorized by the General Assembly under KRS 45.760, subject to the following conditions and procedures:
 - (a) Except as provided in paragraphs (b) and (c) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency account to the allotment account of an authorized project shall not exceed an amount equal to fifteen percent (15%) of the estimated cost of the project, for that biennium, approved by the General Assembly in the manner provided by KRS 45.760.
 - (b) Subject to paragraph (c) of this subsection, if the cost of an authorized project exceeds, by more than fifteen percent (15%), its estimated cost, as approved by the General Assembly, due to an unforeseen decision by a federal or state court or regulatory agency, moneys in excess of fifteen percent (15%) of the estimated cost of the project may be transferred from the capital construction and equipment purchase contingency account to the allotment account of the project.
 - (c) The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the commissioner of the Department for Facilities Management, Finance and Administration Cabinet, that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.
- (3) Money in the capital construction and equipment purchase contingency account may be transferred to the allotment account of a major item of equipment, authorized by the General Assembly under KRS 45.760, for expenditure on that item subject to the following conditions and procedures:
 - (a) Except as provided in paragraphs (b) and (c) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency account to the allotment account of an authorized major item of equipment shall not exceed an amount equal to fifteen percent (15%) of the estimated cost of the item, for that biennium, approved by the General Assembly in the manner provided by KRS 45.760.

- (b) If the cost of an authorized major item of equipment exceeds, by more than fifteen percent (15%), its estimated cost, as approved by the General Assembly, due to an unforeseen decision by a federal or state court or regulatory agency, moneys in excess of fifteen percent (15%) of the estimated cost may be transferred from the capital construction and equipment purchase contingency account to the allotment account of the item.
 - (c) The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the secretary of the Finance and Administration Cabinet that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.
- (4) ***Money in the capital construction and equipment purchase contingency account may be transferred to a capital project account to be used for nonrecurring moving expenses of state agencies to address issues of public health and safety or governmental efficiency, subject to the following conditions and procedures:***
- (a) ***The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800.***
 - (b) ***Presentation of a proposed transfer shall include written certification to the committee from the secretary of the Finance and Administration Cabinet that the moving costs are nonrecurring, and describing the specific benefits, including but not limited to fiscal and efficiency savings associated with the proposal.***
 - (c) ***No transfer shall be used for capital improvements.***
- (5) No later than thirty (30) days after a project has been accepted by the Commonwealth of Kentucky and the contracts encumbered against that project have been closed, moneys constituting the available balance in the project or equipment account shall be transferred as follows:
- (a) If the project was a line item in the budget and not funded with road funds, then the balance shall be transferred to the capital construction surplus account.
 - (b) If the project was a line item in the budget and funded with road funds, then the balance shall be transferred to the road fund surplus account.
 - (c) If the project was completed within the biennium in which it was authorized, and if the project was funded from a major maintenance pool, then the balance shall be transferred to that major maintenance pool.
 - (d) If the project was not completed within the biennium in which it was authorized, without being expressly reauthorized by a succeeding session of the General Assembly, then the balance shall be transferred to the capital construction surplus account.

Approved March 16, 2005.